Information in respect of Banks is being collected and will be laid on the Table of the House.

(b) and (c). Investments of LIC and GIC funds are governed by the provisions of Section 27A and 27B respectively of the Insurance Act, 1938 as also the Government guidelines issued in this behalf. While institutions have taken a number of steps to promote higher level of enterpreneurial activity in industrially less developed regions, the flow of institutional assistance to any region depends on the number of worthwhile proposals coming from them.

Legal aid and Advice Boards

7033. SHRI N. DENNIS: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Legal Aid and Advice Boards have been set up in all States and Union Territories;

(b) if so, the details thereof; and

(c) if not, the reasons therefor and the steps taken by the Government to set up these Boards in States/Union Territories?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS AND PARLIAMENTARY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b). Legal Aid and Advice Boards have been set up in the States of Andhra Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Manipur, Meghalaya, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal and the Union Territories of Chandigarh, Daman & Diu, Delhi and Pondicherry. Legal Aid and Advice Board has also been set up in the Andaman & Nicobar Islands but it has yet to become functional pending creation of some posts.

(c) Legal Aid Boards have not yet been set up in the States of Arunachal Pradesh and Mizoram because of their traditional tribal customs and laws. However, Legal Aid Programmes in these states are being monitored by the Judicial Department of their respective Governments.

Steps are also being taken to set up Legal Aid and Advice Boards in the Union Territory of Dadra and Nagar Haveli and Lakshadweep.

Housing Finance by Banks

7034. SHRI LOKANATH CHOUDHURY: Will the Minister of FINANCE be pleased to state:

(a) the details of the guidelines issued by the Reserve Bank of India from time to time and contents of their letter dated November 2, 1988 to the Scheduled Commercial banks for providing credit to housing sector;

(b) whether the guidelines and contents of the aforesaid RBI letter are in operation as on date;

(c) if so, whether the scheduled commercial banks have extended adequate credit to the individuals/members of the group housing societies during the last two years and till date, for boosting the housing activities in the Union Territory of Delhi; and

(d) if so, the factual position thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). The main features of the guidelines regarding housing finance issued by Reserve Bank of India (RBI) to all Scheduled Commercial Banks in November, 1983 and modifications made in it from time to time are indicated in the attached statement. These guidelines are still generally in operation.

(c) and (d). RBI has reported that the banks have been achieving the all-India

target set for housing finance. However, the direct lending to individuals/groups of individuals including co-operative housing societies is lower than the quantum earmarked for the purpose. The banks have, therefore, been advised to step up direct lending for housing during the current year.

RBI has reported that it is not maintaining separate data for the Union Territory of Delhi. However, the factual position regarding the targets and achievements for the year 1989-90 for the country as a whole including Delhi, are us under:

(Rs. in crores)

	Target	*Achievements*
Overall Target (All India)	322	390.41 (Provisional)
Direct lending	96.60	41.61

The targets for the years 1990-91 and 1991-92 are as under:

	1990-91	*1991-92*
Overall Target (All India)	387	364
Direct lending	116.10	109.20

STATEMENT

Main features of guidelines issued in November, 1988

I. Direct Lending:

i) The maximum period of repayment of housing loan from commercial banks which was 10 years has been extended upto 15 years.

ii) The maximum margin has been reduced from 50% to 35%.

iii)The rate of interest for housing loan has been altered with effect from October, 10, 1988 as under:

	Amount of loan	*Rate of Interest (percent per annum)*
1.	Upto Rs. 20,000	12.5
2.	Above Rs. 20,000 and upto Rs. 50,000	13.5
3.	Above Rs. 50,000 and upto Rs. 1 lakh	14.0
4.	Above Rs. 1 lakh	14.5 - 16.0

The rate of interest for housing loans for Scheduled Castes/Scheduled Tribes upto and inclusive of Rs. 5,000/- remains unchanged at 4% per annum.

iv) Where mortgagee of property or bank guarantee is not feasible, banks have been permitted to accept other forms of securities such as Life Insurance Policies, Government Promissory Notes, etc.

v) Than banks will also have the discretion to fix the repayment instalments in such a way that housing loans become more affordable by the lower income groups and repayment instalments may not exceed normally 30% of the income of the borrower.

vi) In the case of individuals who might have raised funds from other sources, banks have been permitted to provide supplementary finance.

vii) Banks have been permitted to extend credit for additions, repairs and alterations of houses.

viii) The total loan per individual for housing from the bank is the not to exceed Rs. 3 lakhs.

ix) Bank finance given for slum improvement schemes implemented by the public agencies is to be treated as part of housing finance.

II. Indirect Lending:

i) Banks to grant term loans to housing finance institutions and housing boards taking into consideration their debt-equity ratio, track record and other relevant factors. The rate of interest will be 12.5% per annum provided not less than 75% of the units financed are meant for the economically weaker sections and lower income groups and the rates of interest charged to ultimate beneficiaries and other terms are as stipulated in case of direct finance.

ii) Banks may extend finance to public agencies for acquisition and development of land as part of complete project including development of infrastructure provided that the project is completed within 3 years.

iii) Banks may extend credit on commercial terms to private builders of repute by way of demand loans linked to each specific project for a maximum period of 18 months. (Since June, 1991RBI has permitted banks to grant term loans for a period of 3 to 5 years linked to specific projects where payment from the prospective buyers of the dwelling unit is not to be received during development, and construction stage and refinance from National Housing Bank (NHB) is available.)

Modifications made in the guidelines from time to time

The banking system were allocated a target in May, 1979 of Rs. 75 crores which was approximately 0.5% of the total advances of all scheduled commercial banks at the end of December, 1978. Subsequently, in January 1989, the overall housing finance was linked to the growth in bank deposits and the banks were advised to compute their respective shares of housing finance at 1.5% of their incremental deposits of the current year over that of the previous year.

In may, 1989 with a view to ensure adequate direct lending for housing to individuals or groups of individuals including cooperative societies, Reserve Bank of India have advised the commercial banks that atleast 30% of the total allocation for housing should be reserved for direct lending. Further 30% of the allocation is required to be by way of term loans to housing finance companies, housing boards and other public housing agencies. The balance 40% of the allocation will be available for subscription to the guaranteed bonds and debentures of National Housing Bank and Housing & Urban Development Corporation.

Further, banks have been permitted to